



County of Placer Down Payment Assistance Program for First Time Home Buyers

PROGRAM BASICS - CalHome Program Loans

FIRST TIME BUYERS

Participants cannot have owned or had a real estate interest for the past three years and must provide last three (3) years federal tax returns as evidence of first time buyer status.

INCOME ELIGIBILITY

Eligible households must earn at or below 80% Placer County median income, adjusted for the number of persons occupying the subject property. All income sources for all occupants.

HOUSING RATIO

Eligible households shall not have housing expenses (Principal, Interest, Taxes, Insurance, Mello Roos, Mortgage Insurance, Homeowner Association Dues) less than 30% and greater than 35% of gross monthly household income. Debt Ratio shall not exceed 47%. Please note this is the County's program requirement and the first mortgage underwriter may have more stringent ratios (See FHA Regulations 4155.1 Revision 4 for ratio limits). The participant will be subject to the more stringent lenders ratio requirement.

FIRST TIME BUYER EDUCATION REQUIREMENT

Participants in the County's Down Payment Assistance Program are required to attend a Home Buyer's Education Class or similar type FHA approved program. A copy of the Certificate of Completion is required prior to close of escrow.

BORROWER INVESTMENT

Borrowers must invest a minimum of 3% of the purchase price in the down payment and closing costs for impounds and recurring costs. If needed, the County of Placer may include to the proposed County gap loan, up to 3% of the purchase price for use to pay non-recurring closing costs.

PROPERTY ELIGIBILITY

Property must be located within the unincorporated county (***No homes within any incorporated city like: Roseville, Rocklin, Lincoln, Loomis, Auburn, Colfax, are eligible.***) and meet health and safety requirements.

SALES PRICE LIMITS

Sales price such can not exceed \$635,000.

PROPERTY RESTRICTIONS

The property being assisted with County funds is restricted to owner occupancy for the 30-year term of the loan. If, during the loan period the property is sold, title is transferred to someone other than the original spouse, or if the property becomes a rental, the loan becomes due and payable along with any interest funds; unless original borrower can show that a low-income household will be occupying the property and assuming the loan.

TO REQUEST AN APPLICATION OR FOR ADDITIONAL INFORMATION, PLEASE CONTACT:

Joyce A. Pope, 530-745-3168
Redevelopment Specialist
Placer County Redevelopment Agency
3091 County Center Dr., Suite 260
Auburn, CA 95603



TIMELINE

I. AT TIME OF FIRST MORTGAGE LENDER ORIGATION

There are three County of Placer documents that must be completed and signed by the applicants at the time of mortgage loan origination.

1. **PROGRAM DISCLOSURE** (Notice to Applicants for Down Payment Assistance Program). Provide one copy to the applicants.
2. **INFORMATION RELEASE AUTHORIZATION**
3. **Certification of Eligibility**

II. AT TIME OF SALES OFFER/ACCEPTANCE

The form, **NOTICE TO SELLER**, is to be included as part of the Offer to Purchase. It requires the Real Estate Agent to determine the estimated Fair Market Value of the property and to provide justification for the estimate made. The NOTICE TO SELLER form requires the Seller's signature at the time of acceptance/counteroffer of the Offer to Purchase

III. AT TIME OF UNDERWRITING SUBMISSION

Once the property is selected and the first mortgage lender is ready to submit for final underwriting loan approval, the lender will also submit a complete copy package along with the following documents to the COUNTY OF PLACER DOWN PAYMENT ASSISTANCE PROGRAM Representative to review in order to make the appropriate recommendation to the County of Placer Loan Committee:

1. **REQUEST FOR FUNDS** (completed by lender)
2. **ELIGIBILITY WORKSHEET** (completed by lender)
3. ORIGINALS listed in I and II above (completed at time of loan origination and signed by applicants).
4. ORIGINAL signed copies of last three years federal tax returns for the applicants.
5. Certificate of Completion from a First Time Buyers Educational Seminar.
6. Copy of lender's complete underwriting package (including all related exhibits) for applicant's credit (including rental history), employment and income sources, asset verification, property appraisal and title report.

NOTICE TO LENDERS: Written verification of *all* income sources for all persons that will occupy the subject property, regardless of whether or not said income was used to qualify for first mortgage (per Federal Guidelines for Section 8 income eligibility on HOME programs all income sources shall be disclosed) needs to be provided.

Complete documentation must be received and reviewed by the County prior to final approval and funding of the County's loan. If approved, the County will issue a Final Approval Letter. Down Payment Assistance Program funds are limited and failure to submit a complete package may result in a funding availability shortage.



COUNTY OF PLACER

2008 INCOME STANDARDS

(As of February 28, 2008)

Placer County Median Income: \$71,000

Family Size

Standard	1	2	3	4	5	6	7	8
Lower (80%)	39,750	45,450	51,100	56,800	61,350	65,900	70,450	75,000